

The Howard Bank

April 2, 1985

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

14620
RECORDATION NO. Filed 1425
APR 8 1985 9 32 AM

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Dear Secretary:

INTERSTATE COMMERCE COMMISSION

I have enclosed an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U. S. Code.

This document is a Chattel Mortgage, a primary document, dated March 29, 1985.

The names and addresses of the parties to the document are as follows:

Mortgagor: Richard A. Axelrod
P.O. Box 189
St. Johnsbury, Vt. 05819
AND
David Corey
Airport Road
Bennington, Vt. 05201

Mortgagee: The Howard Bank
48 Railroad St.
St. Johnsbury, Vt. 05819

A description of the equipment covered by the document follows:

Railroad boxcar, \$26,000.00, S#YS12308.

A fee of \$50.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to The Howard Bank, 48 Railroad St., St. Johnsbury, Vt. 05819.

Sincerely,

Anne C Knight
Anne C. Knight
Assistant Cashier

ACK/ah
Enc.

Interstate Commerce Commission
Washington, D.C. 20423

4/8/85

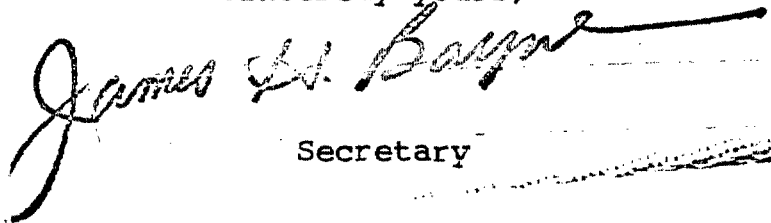
OFFICE OF THE SECRETARY

Anne C. Knight
Assist. Cashier
The Howard Bank
48 Railroad Street
St. Johnsbury, Vermont 05819

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/8/85 at 9:30am and assigned re-recording number(s) 14620

Sincerely yours,


Secretary

Enclosure(s)

CHATTEL MORTGAGE APR 8 1985 9 12 AM

INTERSTATE COMMERCE COMMISSION

This chattel mortgage made this 29th day of March, 1985 by and between RICHARD A. AXELROD of Lyndon, in the County of Caledonia and State of Vermont and DAVID COREY of Bennington, in the County of Bennington and State of Vermont (hereinafter referred to as "Mortgagors"), and HOWARD BANK, with a place of business in St. Johnsbury, in the County of Caledonia and State of Vermont (hereinafter referred to as "Mortgagee"), WITNESSETH:

Mortgagors mortgage to Mortgagee a certain railroad boxcar assigned the identifier number YS12308, which identifier number is stencilled thereon, as security for the payment by Mortgagors to Mortgagee of Mortgagors' promissory note (the Note) dated April 1, 1985 in the principal sum of \$26,000.00 according to the tenor thereof.

Mortgagors agree and covenant with Mortgagee and Mortgagee's successors and assigns:

1. To pay the aforesaid promissory note according to its terms in the manner called for therein.
2. Mortgagors are the lawful owner of the collateral.
3. The mortgaged collateral is free from any and all encumbrances, except a certain management agreement dated January 1, 1984 by and between Railcar Management, Inc., a Georgia Corporation of Atlanta in the County of Fulton and State of Georgia, and any and all deployment agreements and leases (if any) entered into pursuant thereto, which said management agreement and deployment agreements and leases entered into pursuant thereto have been

assigned by Mortgagors to Mortgagee by assignment of even date herewith as an additional security for the note.

4. That Mortgagors have the right to mortgage the collateral.

5. That Mortgagors will warrant and defend forever the collateral to Mortgagee, and Mortgagee's successors and assigns, against all and every person or persons, and against all and every claim or claims, whatsoever.

6. To keep the collateral insured against damage or destruction in an amount at least equal to the total indebtedness due on the promissory note referred to above, for the benefit of Mortgagee, and Mortgagee's successors and assigns, in such form and with such insurance company as Mortgagee shall approve.

7. Mortgagors will not sell, assign, pledge, or otherwise dispose of the collateral (except that Mortgagors shall have the right to enter into or adopt the above-referenced management agreement and deployment agreement and leases, or other similar agreements during the term hereof) without the prior consent in writing of Mortgagee or Mortgagee's successors and assigns.

8. To pay all taxes and assessments that may be levied on the collateral.

9. That the proceeds of the collateral, or substitutions thereof, or the additions and betterments thereto, or accretions thereto, are subject to and secured by this chattel mortgage.

The collateral is railroad equipment, and accordingly shall at all times be used solely in strict adherence to the rules and regulations of the American Association of Railroads, Interstate Commerce Commission, United States Department of Transportation, and other regulatory or contractual authority over the use of railroad equipment; otherwise, the collateral need not be kept in any one place, and by the acceptance hereof Mortgagee consents to the use of the collateral throughout the United States, Canada and Mexico in railroad interchange service.

As long as all the terms of the note and this chattel mortgage are adhered to, Mortgagors, or Mortgagors' trustees, agents, or other persons properly authorized by Mortgagors to have possession of the property, shall be entitled to retain possession of the collateral and to use and enjoy the same.

In the event Mortgagee takes possession of the collateral for any reason whatsoever, Mortgagee may sell the same at public auction or private sale as in Mortgagee's sole and exclusive discretion shall be the most commercially reasonable method to dispose of the collateral. In the event of such sale, Mortgagee will give to Mortgagors at least fifteen days' notice of the time and place of any such sale.

In the event of the default hereunder or a default under the terms of the note by Mortgagors, Mortgagors shall pay to Mortgagee such costs as Mortgagee shall incur when exercising its rights hereunder, and under the note, and under the aforesaid

assignment including but not limited to reasonable attorneys' fees incurred by Mortgagee.

If Mortgagee should sell the collateral at public or private sale as described above, and as a result thereof shall not recover the indebtedness which this chattel mortgage secures together with Mortgagee's costs of sale and costs of protecting itself, Mortgagors shall pay any such deficiency to Mortgagee; in the event the proceeds of such sale exceed all of Mortgagee's such costs, such excess shall be paid by Mortgagee to Mortgagors.

Mortgagors shall keep or cause the property to be kept in as good condition as it is at the time of the execution of this chattel mortgage, reasonable wear and tear excepted; Mortgagors shall further inspect and maintain the collateral, or cause the same to be inspected and maintained, strictly in accord with the rules and regulations of the American Association of Railroads, Interstate Commerce Commission, and United States Department of Transportation.

IN WITNESS WHEREOF I have executed this chattel mortgage this 1 day of ^{April}~~March~~, 1985.

IN PRESENCE OF:

Rose R. Paine

Richard A. Axelrod

RICHARD A. AXELROD

Steven A. All

IN WITNESS WHEREOF I have executed this chattel mortgage this 28 day of March, 1985.

Kimberly S. Salsman

David Corey

DAVID COREY

Jeffrey S. Hanson

STATE OF VERMONT

CALEDONIA COUNTY, ss.

At St. Johnsbury in said County and State this 1st day of April, 1985, RICHARD A. AXELROD personally appeared and he acknowledged the foregoing chattel mortgage by him subscribed to be his free act and deed.

Before me, Rose R. Paine
Notary Public

My commission expires: 2/10/87

STATE OF VERMONT

BENNINGTON COUNTY, ss.

At Bennington in said County and State this 28th day of March, 1985, DAVID COREY personally appeared and he acknowledged the foregoing chattel mortgage by him subscribed to be his free act and deed.

Before me, [Signature]
Notary Public

My commission expires: 02/10/87